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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: April 12, 2007

Eurofighter Delivery Postponed

11. Defense Minister Norbert Darabos of the Social Democrats says the planned mid-year delivery of the first Eurofighter jets for the Austrian armed forces will be delayed "until November at best." He said the required software for the navigation system from the United States should arrive by then. Earlier Darabos asked legal experts to examine whether the most recent developments regarding the Eurofighters would provide grounds for withdrawing from the two-billion-Euro contract to buy the planes. He added he will consider their assessment "highly binding"; it is expected to be presented later this month. However, the Defense Minister stressed there will be no "go-it-alone" cancellation of the deal; such a step would only be taken in cooperation with the SPOe's coalition partner OeVP.

Like all Austrian media, ORF radio reports on the postponed Eurofighter delivery, resulting from the formal applications for the necessary software licenses being filed too late. ORF radio reports the Pentagon confirmed it received the official requests only last month, but "will try to issue the licenses as quickly as possible. Estimated date for the delivery is, indeed, November 2007, the Pentagon's statements shows: The delay was caused by Austria's waiting too long with its (...) formal application, which only arrived in Washington in March and usually needs about four months to be processed. Provided the Pentagon approves the application, the US government then needs to conclude a bilateral agreement on how Austria guarantees it will not pass on any of the software system's secret military information to third parties or the general

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public."

Meanwhile, independent provincial daily Salzburger Nachrichten runs the front-page headline "Russians and Americans offering Austria less expensive jets," and writes that the producers of interceptor jets are currently lining up in Vienna: Ever since it emerged that a withdrawal from the Eurofighter contract could be an option, international companies have jumped at the potential chance of a new deal. Russia and the US in particular have presented alternative offers, Defense Minister Darabos has confirmed.

Criticism of Job Market Plan

12. There has been sharp criticism of Social Affairs Minister Erwin Buchinger's idea to partially open up Austria's job market to foreign workers to fill vacant positions. The Social Democrat Minister said that, in cases where there is a lack of qualified Austrians for a job, the market could be opened in certain sectors.

The Austrian unions, the Alliance for the Future of Austria (BZOe) and the FPÖe have all come out against the idea. Semi-official daily Wiener Zeitung, reporting on criticism of Minister Buchinger's plan to partially open up Austria's job market to foreign workers, writes that Richard Leutner, secretary general of the unions, said there was no question of launching the opening of the job market earlier than planned. The unemployment rate must first be lowered, he added. Peter Westenthaler, head of the BZOe, said it would be an attack on Austrian employees, and Heinz-Christian Strache, leader of the FPÖe, complained he couldn't interpret the reasoning behind the Social Affairs Minister's idea of opening the labor market to people from the new European Union countries. Currently, workers from the new member countries have only limited access to the Austrian job market until 2009, the daily explains. Originally, plans called for an extension of the restrictions until 2011, but Austria faces resistance from other EU countries.

Dramatic Financial Problems

13. In a meeting with EU Foreign Relations Commissioner Benita Ferrero-Waldner, Palestinian Finance Minister Salam Fayyad alerted the European Union representative to the Palestinians' dramatic financial crisis. Finance Minister Salam Fayyad warned that the "Palestinians are in the midst of a severe financial crisis" and "short of one billion Euros," when he met with the EU's Foreign Relations Commissioner on Wednesday. The EU and the Palestinian authority are currently working toward gradual normalization of their relations, the daily notes, adding that Commissioner Ferrero-Waldner confirmed she would push for assistance in getting the Palestinians on a par with international financial procedures and standards. Still, there will be no direct payments for the time being, as the Palestinians first need to meet a number of requirements: Renouncing violence, recognizing Israel's right to exit, a commitment to existing peace accords and "transparent and comprehensible" financial performance.

Car Bombs Explode in Algiers

14. In Algeria, officials now put the death toll from yesterday's two car bomb attacks in Algiers at 23. About 160 others were injured in the explosions, one near the Prime Minister's office and another near a police station close to the international airport. A person claiming to represent a regional branch of Al Qaeda told an Arabic TV channel his group carried out the attacks, but there has been no independent verification of the claim. On ORF television's prime time news Zeit im Bild I, head of the international desk Peter Fritz suggests the alleged al-Qaeda connection of the group claiming responsibility for the Algiers blasts "may in part be propaganda only." Nonetheless, Fritz argues the "consecutive attacks in Morocco and Algeria suggest cooperation of terrorist groups across the borders of Northern African states is a fact." In addition, "both blasts occurred in countries that traditionally have entertained close ties with Europe," which according to Fritz could be a "deliberate signal." In centrist daily Die Presse, security affairs writer Burkhard Bischof in an analysis describes the Northern African Maghreb as a "breeding ground for the new generation of terrorists." Sufficient numbers of "volunteers for the 'fight' against their hated governments and against the 'ungodly Western devils' can easily be recruited in the slums of Algerian and Moroccan cities. The first wave of Maghreb Islamists were those who fought the Soviets in Afghanistan in the 1980s, but these days fanatic youths from Northern Africa are looking for combat experience in Iraq. According to US sources, about 20 percent of the 800 to 2,000 foreign insurgents in Iraq are of Algerian origin, but they are also fighting alongside Moroccans, Libyans and Tunisians now." When they return to their home countries one day, "these Iraq veterans pose a considerable threat also for Europe," Bishop quotes from a study.

US Extends Troops' Tour of Duty

15. US troops will now serve up to 15 months in Iraq and Afghanistan instead of the present 12-month tours under new Defense Department

rules. The move is designed to help the US military supply enough troops for ongoing operations. The extended tours apply to troops currently in Iraq and those about to be deployed, Defense Secretary Robert Gates said, announcing the decision. "US forces are stretched," Gates conceded, "there is no question about that." ORF online news notes the Defense Department's decision to extend US soldiers' tours of duty is aimed at guaranteeing necessary troop levels can be maintained. President George Bush's new strategy for Iraq includes increasing troop levels by about 30,000 - a move with which the US President hopes to curb violence particularly in Baghdad, according to ORF online news.

Kilner